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## Downtown Muskegon Business Improvement District

### Meeting Agenda

Nov. 27, 2018

380 Western Ave., Suite 202 Muskegon, MI at 4 PM

- 1) Call to Order
- 2) Consent Agenda
  - a) Approval of Agenda
  - b) Approval of Minutes from the meeting May 22, 2018
  - c) Snow removal plan for 2018-19 from Nov. 27 meeting/email
  - c) Acceptance of financial statements as of Aug. 31 and Oct. 31, 2018
- 3) Public Comment (on an agenda item)
- 4) New Business
  - a) DMN/DDA merger outlined
  - b) 2019 BID budget
  - c) Christmas decorations/community tree
  - d) 2019 BID meeting schedule
- 5) Other Business
  - a) Holidays in the City, 2018
  - b) Next meeting is Tuesday Jan. 22, 2019 4 p.m. chamber training room, 380 W. Western Ave. Suite 202, Muskegon, MI or at the call of the chair.
- 6) Adjournment

To: BID board members

From: Dave Alexander, DMN executive director

Re: Background and comments on Nov. 27 agenda

Date: 11-21-18

A handwritten signature in dark ink, appearing to read "Dave Alexander", is enclosed within a large, hand-drawn oval.

The BID board has its last meeting of the 2018 year on Tuesday Nov. 27 at 4 p.m. in the chamber training room. You did not have a quorum of at least five members at your Sept. 25 meeting and will need at least five members to officially round out our business for the year.

**Consent Agenda:** Without a quorum, we will need to officially approve the minutes from May 22 and the snow removal plan for 2018-2019 winter season along with accepting the Aug. 31 financial statements – all items from the Sept. 25 meeting. The decision on the snow removal was done by email and signed by the BID and the City as you can see enclosed. The expansion of the sidewalk snow removal services was only on Clay and Ninth. A suggestion for Terrace Point Drive (outside the district) was not accepted.

**DMN/DDA:** Before you consider the 2019 budget, the board needs to get an understanding of the consolidation/merger of downtown agencies now that the DDA has been revamped and has significant funding going forward. DMN will likely go away sometime in 2019 and I would become a business development manager for the DDA and a city employee. I am fully supportive of this move as seems to be a good majority of the DMN board. The BID will be managed through the DDA under this plan. Who will be providing staff services to the BID has yet to be decided. If Frank is at your Tuesday meeting, he can provide a broad perspective and answer some of the details in your mind. If not, John Riegler, a DDA board member, and I can report what we know. The bottomline is the BID is in place through the end of 2020 and you as the BID board will determine how the funds will be spent. A whole other discussion for later next year is the future of the BID in light of an active DDA post 2020.

**2019 budget:** I am recommending the budget and work plan that is attached and wanting you to make that decision as if it was status quo as to DMN/DDA. The

2019 budget reflects a reduction of anticipated revenues from \$172,636 in 2018 to \$161,647 in 2019 due to the series of decisions of the Michigan Tax Tribunal on BID assessments appeals. My suggestion is that you keep your core services of snow removal and landscaping status quo from past years and take the reduction out of “marketing, promotion, events” and the contingency line items. You are going to end your year with a healthy fund balance of \$50,000, double what it was a year ago. As 2019 progresses, you can adjust your budget to bolster areas such as landscaping expansion, marketing, events and streetscape improvements. But all of that might be affected by DDA decisions. Finally, I have given you what is probably a confusing document looking at a suggested BID budget with the DDA merger and funding in place. The comparison spreadsheet with and without the DDA is for discussion and planning only.

**Christmas decorations:** They are up and looking good. The contract with Christmas Creations by Bailey is in your packet. Please join us Saturday at 5:30 p.m. in Hackley Park for the new Christmas tree lighting. The park is looking fabulous this year. We are slowly upgrading the Christmas season look of downtown.

**2019 meeting schedule:** My suggestion is to meet six times, every other month in 2019 at the same day, time and place as we are currently. That would mean meetings on Jan. 22, March 26, May 23, July 23, Sept. 24 and Nov. 26. There might be no business on some of those dates and the meeting can be cancelled by the chair.

**Holidays in the City:** It is underway through Dec. 23. I will have our information available at the meeting.

# **Downtown Muskegon Business Improvement District**

## **Meeting Minutes**

**May 22, 2018**

**380 Western Ave., Suite 202 Muskegon, MI at 4 PM**

**1) Call to Order: 4:01 PM**

Attendance: Clyde Whitehouse, Bob Tarrant, Gary Post (Vice Chairman), John Riegler, Bruce Lindstrom and Doug Pollock

Excused Absent(s): Phyllis Watson-Laudermill, Frank Peterson and Mike Hennessy.

Guests: Dave Alexander, Downtown Muskegon Now director, Elizabeth Tibbe, DMN marketing and events, Dennis Lohman, Northwestern Industrial Sales and David Burlingame, Burlingame Administrative Services.

**2) Consent Agenda**

- a) Approval of Agenda, minutes March 27, 2018, and acceptance of the financial statements as of April 30, 2018.

**Motion: Bob Tarrant**

**Support: Gary Post**

**Vote: All voted in favor**

**3) Public Comment (on an agenda item) – The board chose to leave the floor open for the whole meeting allowing attendees to participate as they like.**

**4) New Business**

- a) Dave Alexander updated the board on the May 10 hearings of Michigan Tax Tribunal administrative law judge on 12 properties with assessment appeals, representing four landowners. The major issues were direct benefits from the BID vs. the assessments. Two of the four property owners Reliable Towing and WWG Holdings LLC (Ginman Tire) came to a settlement before going through the hearing process. Maureen Boelkins and EJE Properties LLC went through the hearing process and all parties are awaiting a preliminary decisions. The city assessor and the BID also agreed to a stipulation on issues of capping assessments due to the same owner having adjacent properties in the same business. No vote necessary, information only.
- b) In completing the settlements with Ginman Tire and Reliable Towing, both owners are seeking service considerations from the BID board going forward. Sidewalk snow plowing and landscaping are potentially able to be provided in the last two years. I told

them I would bring those requests to the BID board but could not make any guarantees.

- c) Dave Alexander raised the issue of planter locations for this summer. After some discussion of the options for the 61 planters, a consensus formed to move about five planters from Western Avenue and Third Street and place them along Second Street from Western to Clay and along Clay Avenue at Jefferson. The board directed Dave Alexander to make those adjustments to better spread out the BID landscaping through the district. No formal action was taken.
- d) Dave Alexander explained DMN's work on a strategic plan for downtown and the downtown agency. The strategic plan meeting in April included participation from both the BID and the Downtown Development Authority. A draft of the major directions was shared as the document goes to the DMN board for final approval, committees formed to work on the three major areas -- Live Downtown, a marketing plan and connections between the downtown and the waterfront. No action was taken.

The discussion of the DMN strategic plan included John Riegler's opinion that as well as the BID is doing, it might be able to go away after 2020 with an active DDA going forward. City Manager Frank Peterson said that the DDA's initial efforts will be on revamping and upgrading the L.C. Walker Arena for the upcoming hockey season. He said that in the future the BID still should have specific work such as snow removal and landscaping but assessments might be able to be scaled back. Also in the future, a parking structure downtown will be needed, especially with the sale of properties for building developments and the opening of a convention center. Doug Pollock said that snow removal and beautification might be the focus of the BID after 2020. Gary Post said that consolidation of downtown agencies needs to happen and have consolidated downtown management. He said that DMN is in the best position to accomplish that over time.

#### 5) Other Business

- a) Elizabeth Tibbe presented the summer lineup of downtown events, 21 in all, including Chalk the Walk, Street Performers and Touch the Truck (the former First Friday events) still being supported by the BID and produced by DMN.

#### 6) Adjournment

4:54 PM

No Objection

Minutes produced and submitted by Dave Alexander, executive director of Downtown Muskegon Now.

## Letter of Understanding

### City of Muskegon DPW and Muskegon downtown Business Improvement District

This is an update of the Letter of Understanding between the Muskegon downtown Business Improvement District (BID) and city of Muskegon Department of Public Works (city) concerning the snowplowing of downtown sidewalks for the winter seasons from **Nov. 15, 2018 to April 15, 2020**. This letter updates the price of the service BID will pay to the city and updates a new sidewalk area to be serviced for the 2018-2019 and 2019- 2020 winter seasons.

For each snow season Nov. 15 to April 15, the BID will pay the city a total of **\$50,125 (\$10,025 per month)** as a retainer to provide the outlined services below for Monday through Saturday. Sunday sidewalk services **for the two years** will be requested on an "as needed" basis and billed by the city for time and materials.

#### Additional Sidewalk Snow Removal for weekdays (see attached map)

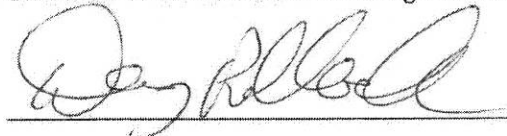
- Clay Avenue from 7<sup>th</sup> Street to 9<sup>th</sup> Street, south side sidewalk only
- 9<sup>th</sup> Street from Clay Avenue to Webster Avenue, east side sidewalk only

On behalf of the city Department of Public Works:

 Date: 10.16.18

Frank Peterson, Muskegon city manager

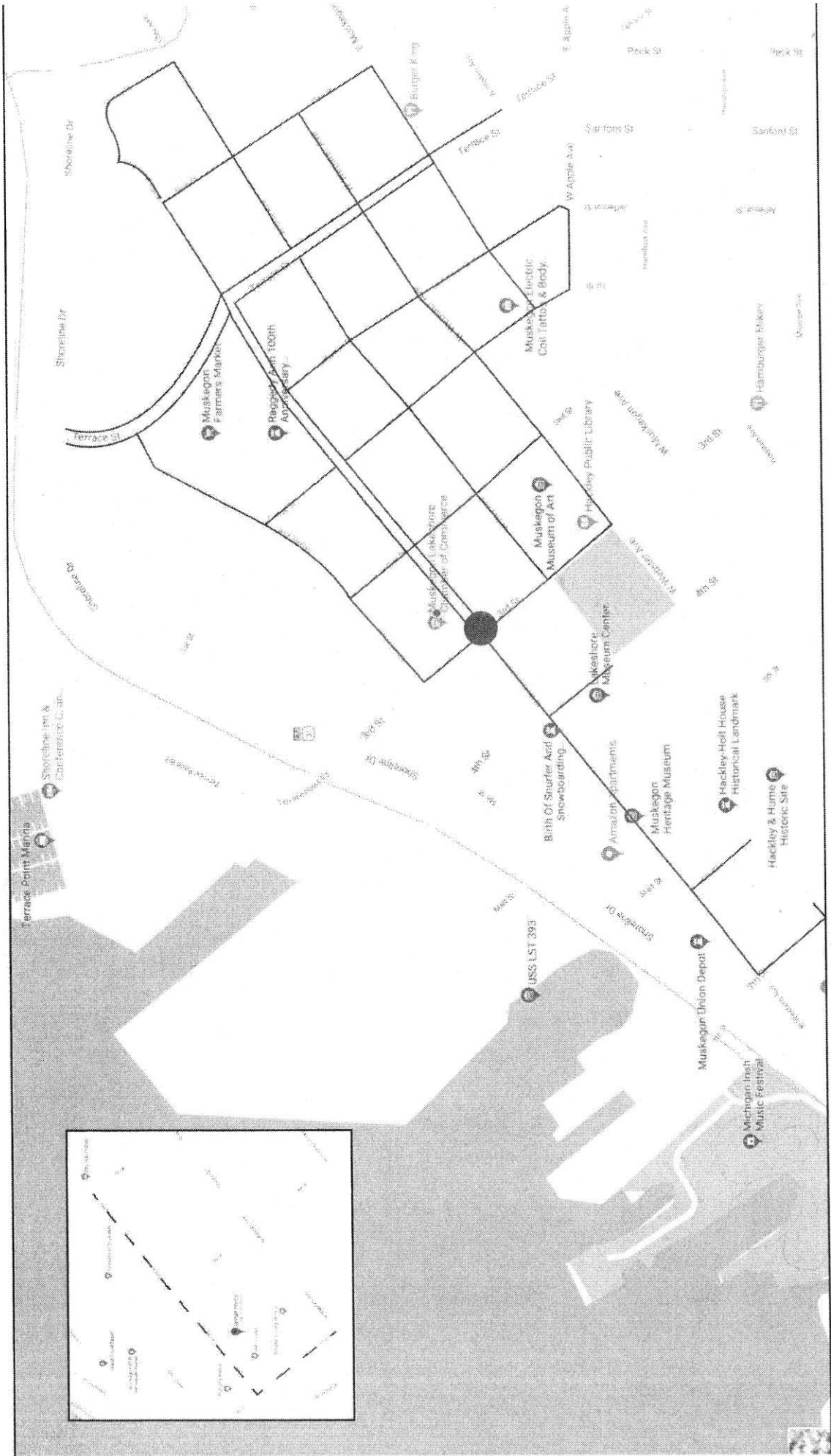
On behalf of the downtown Muskegon Business Improvement District:

 Date: 10/16/18

Doug Pollock, BID board chairman



# 2020 SNOW REMOVAL MAP



ACCOUNT BALANCE REPORT FOR CITY OF MUSKEGON  
 PERIOD ENDING 08/31/2018

CL NUMBER	DESCRIPTION	2018-19 AMENDED BUDGET	BEG. BALANCE 07/01/2018	ACTIVITY FOR MONTH 08/31/2018	YEAR-TO-DATE THRU 08/31/18	END BALANCE 08/31/2018
Fund 297 - DOWNTOWN MUSKEGON BID						
Assets						
297-00000-1101	CASH IN BANK		135,788.75	(16,525.76)	(17,459.39)	118,319.36
297-00000-1231	ACCOUNTS RECEIVABLE		0.00	0.00	0.00	0.00
297-00000-1271	SPECIAL ASSESSMENT RECEIVABLE		0.00	0.00	0.00	0.00
TOTAL ASSETS						
			135,788.75	(16,525.76)	(17,459.39)	118,319.36
Liabilities						
297-00000-2100	ACCOUNTS PAYABLE		0.00	0.00	0.00	0.00
TOTAL LIABILITIES						
			0.00	0.00	0.00	0.00
Fund Equity						
297-00000-3400	FUND BALANCE UNRESERVED		105,397.23	0.00	0.00	105,397.23
TOTAL FUND EQUITY						
			105,397.23	0.00	0.00	105,397.23
Revenues						
297-00000-4161	SPECIAL ASSESSMENTS	0.00		3,474.24	3,474.24	3,474.24
297-00000-4805	CONTRIBUTIONS	0.00		0.00	0.00	0.00
297-00000-4901	CP. TRANS FROM GENERAL FUND	0.00		0.00	0.00	0.00
297-00000-4970	INTEREST INCOME	0.00		0.00	56.37	56.37
TOTAL REVENUES						
		0.00		3,474.24	3,530.61	3,530.61
Expenditures						
297-00000-5300	BUDGETED CONTRACTUAL SERVICES	0.00		0.00	0.00	0.00
297-70803-5201	OFFICE SUPPLIES	0.00		0.00	0.00	0.00
297-70803-5207	POSTAGE	0.00		0.00	0.00	0.00
297-70803-5346	CONTRACTUAL SERVICES	0.00		20,000.00	21,000.00	21,000.00
297-70803-5352	PUBLIC RELATIONS	0.00		0.00	0.00	0.00
TOTAL EXPENDITURES						
		0.00		20,000.00	21,000.00	21,000.00



09/20/2018 05:02 PM  
User: beth.lewis  
DB: Muskegon

GL ACTIVITY REPORT FOR CITY OF MUSKEGON  
FROM 297-70803-1201 TO 297-70803-5352  
TRANSACTIONS FROM 01/01/2018 TO 09/21/2018

Page: 1/1

Date	JNL	Type	Description	Reference #	Debits	Credits	Balance
Fund 297 DOWNTOWN MUSKEGON BID							
01/01/2018			<b>297-70803-5346 CONTRACTUAL SERVICES</b>		REG. BALANCE		46,655.91
01/17/2018	AP	INV	TERRASCAPE ARCHITECTS INC	1361	1,200.00		47,855.91
01/23/2018	AP	INV	SNOWFLOWING THIRD ST DOWNTOWN MUSKEGON NOW	FINAL 2017	3,312.76		51,168.67
02/07/2018	AP	INV	ADV. WEBSITE, EVENTS AND HOLIDAY IN SUMMIT LAWN CARE & SNOWFLOWING	32201	1,110.00		52,278.67
02/07/2018	AP	INV	MARCH 2018 SEASONAL SNOW FLOWING SUMMIT LAWN CARE & SNOWFLOWING	32206	225.00		52,503.67
02/14/2018	GC	JE	MARCH 2018 SEASONAL SNOW FLOWING BID REIMBURSEMENT TO CITY FOR SNOW	4053	19,800.00		72,003.67
02/21/2018	AP	INV	SUMMIT LAWN CARE & SNOWFLOWING	32155	3,361.25		75,364.92
06/09/2018	AP	INV	SALT AND SNOW HAULING - JAN 2018 BID SUMMIT LAWN CARE & SNOWFLOWING	33460	800.00		76,164.92
05/23/2018	AP	INV	SALTING AND ICE MELT APRIL 2018 SUMMIT LAWN CARE & SNOWFLOWING	33231	800.00		76,964.92
05/23/2018	AP	INV	SUMMIT LAWN CARE & SNOWFLOWING SALTING WITH LIQUID	30800	2,080.00		79,044.92
05/23/2018	AP	INV	SUMMIT LAWN CARE & SNOWFLOWING SALTING WITH LIQUID	30019	225.00		79,269.92
05/23/2018	AP	INV	SNOW SHOVELING JANUARY SUMMIT LAWN CARE & SNOWFLOWING	30020	1,110.00		80,379.92
05/23/2018	AP	INV	SNOW PLOWING JANUARY SUMMIT LAWN CARE & SNOWFLOWING	31097	1,110.00		81,509.92
05/23/2018	AP	INV	SNOW PLOWING FEBRUARY SUMMIT LAWN CARE & SNOWFLOWING	31096	225.00		81,734.92
05/23/2018	AP	INV	FEBRUARY SNOW SHOVELING SUMMIT LAWN CARE & SNOWFLOWING	32827	1,600.00		83,334.92
05/23/2018	AP	INV	SALTING WITH LIQUID SUMMIT LAWN CARE & SNOWFLOWING	32929	1,760.00		85,094.92
06/05/2018	AP	INV	SALTING WITH LIQUID DOWNTOWN MUSKEGON NOW	2223	9,212.18		94,307.10
06/05/2018	AP	INV	BID SUPPORT FOR DOWNTOWN EVENTS AND BARRY'S FLOWER SHOP	51618	8,354.00		102,661.10
06/30/2018	GC	JE	DOWNTOWN MUSKEGON PLANTERS SUMMER 20 TO RECORD PAYMENT FROM BID FOR SNOW	4385	39,250.00		131,911.10
07/01/2018			2018-19 Fiscal Year Reopn			0.00	0.00
07/11/2018	AP	INV	BARRY'S FLOWER SHOP	061818	1,000.00		1,000.00
08/31/2018	GC	JE	MAINTENANCE & WATERING OF DOWNTOWN P TO RECORD PAYMENT TO THE BID FOR SUM	4578	20,000.00		21,000.00
09/21/2018			297-70803-5346	END BALANCE			21,000.00
			Cumulative Net Debits and Credits:		306,260.19	0.00	106,260.19

	2018 budgeted	2018 YTD actual 8/31	2018 estimated annual	under/over budget
BID estimated fund balance 1/1	\$25,000	\$25,000	\$25,000	
BID revenues	\$172,636	\$161,647	\$161,647	(\$10,989)
Budgeted 2018 expenditures				
Snow removal	\$75,000	\$64,376	\$83,051	(\$8,100)
Landscaping	\$30,000	\$9,354	\$29,354	\$646
Marketing, promotion, events	\$24,000	\$12,529	\$20,029	\$3,971
Streetscape	\$13,000	\$0	\$15,000	(\$2,000)
Administration	\$25,000	\$0	\$25,000	\$0
Contingency	\$5,636	\$0	0	\$0
Total	\$172,636	86259	172434	\$202
BID estimated fund balance 12/31	\$25,000	\$100,388	\$14,213	(\$10,787)

11/20/2018 04:33 PM

User: beth.lewis

DB: Muskegon

## ACCOUNT BALANCE REPORT FOR CITY OF MUSKEGON

PERIOD ENDING 10/31/2018

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GL NUMBER	DESCRIPTION	2018-19 AMENDED BUDGET	BEG. BALANCE 07/01/2018	ACTIVITY FOR MONTH 10/31/2018	YEAR-TO-DATE THRU 10/31/18	END BALANCE 10/31/2018
Fund 297 - DOWNTOWN MUSKEGON BID						
Assets						
297-00000-1101	CASH IN BANK		135,788.75	(24,060.16)	(41,423.66)	94,365.09
297-00000-1251	ACCOUNTS RECEIVABLE		0.00	0.00	0.00	0.00
297-00000-1271	SPECIAL ASSESSMENT RECEIVABLE		0.00	0.00	0.00	0.00
<b>TOTAL ASSETS</b>			<b>135,788.75</b>	<b>(24,060.16)</b>	<b>(41,423.66)</b>	<b>94,365.09</b>
Liabilities						
297-00000-2100	ACCOUNTS PAYABLE		0.00	0.00	0.00	0.00
<b>TOTAL LIABILITIES</b>			<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
Fund Equity						
297-00000-3400	FUND BALANCE UNRESERVED		105,397.23	0.00	0.00	105,397.23
<b>TOTAL FUND EQUITY</b>			<b>105,397.23</b>	<b>0.00</b>	<b>0.00</b>	<b>105,397.23</b>
Revenues						
297-00000-4161	SPECIAL ASSESSMENTS	0.00		939.84	4,414.08	4,414.08
297-00000-4805	CONTRIBUTIONS	0.00		0.00	0.00	0.00
297-00000-4901	OP. TRANS FROM GENERAL FUND	0.00		0.00	0.00	0.00
297-00000-4970	INTEREST INCOME	0.00		0.00	162.26	162.26
<b>TOTAL REVENUES</b>		<b>0.00</b>		<b>939.84</b>	<b>4,576.34</b>	<b>4,576.34</b>
Expenditures						
297-00000-5300	BUDGETED CONTRACTUAL SERVICES	0.00		0.00	0.00	0.00
297-70803-5201	OFFICE SUPPLIES	0.00		0.00	0.00	0.00
297-70803-5207	POSTAGE	0.00		0.00	0.00	0.00
297-70803-5346	CONTRACTUAL SERVICES	0.00		25,000.00	46,000.00	46,000.00
297-70803-5352	PUBLIC RELATIONS	0.00		0.00	0.00	0.00
<b>TOTAL EXPENDITURES</b>		<b>0.00</b>		<b>25,000.00</b>	<b>46,000.00</b>	<b>46,000.00</b>



11/20/2018 06:23 PM  
User: beth.lewis  
DB: Muskegon

GL ACTIVITY REPORT FOR CITY OF MUSKEGON  
FROM 297-70803-5201 TO 297-70803-5352  
TRANSACTIONS FROM 09/01/2018 TO 11/16/2018

Page:

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Date	JNL	Type	Description	Reference #	Debits	Credits	Balance
Fund 297 DOWNTOWN MUSKEGON BID							
09/01/2018			<b>297-70803-5346 CONTRACTUAL SERVICES</b>		BEG. BALANCE		21,000.00
10/24/2018	AP	INV	DOWNTOWN MUSKEGON NOW	2234	25,000.00		46,000.00
11/07/2018	AP	INV	2018 BUSINESS IMP DISTRICT MANAGEMEN	101918	1,000.00		47,000.00
11/16/2018			BARRY'S FLOWER SHOP				
			DOWNTOWN PLANTERS WATERING & MAINTEN				
			297-70803-5346	END BALANCE	26,000.00	0.00	47,000.00
09/01/2018			<b>297-70803-5352 PUBLIC RELATIONS</b>		BEG. BALANCE		0.00
11/07/2018	AP	INV	DOWNTOWN MUSKEGON NOW	2235	2,042.49		2,042.49
11/07/2018	AP	INV	MARKETING, ADVERTISING AND INSURANCE				
11/07/2018	AP	INV	MUSKEGON LAKESHORE CHAMBER OF COMM	74649	5,000.00		7,042.49
11/16/2018			2018-2020 WATCH MUSKEGON IMAGE CAMPA				
			297-70803-5352	END BALANCE	7,042.49	0.00	7,042.49

# Memorandum

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To: DDA Members

From: Frank Peterson, City Manager

Re: Upcoming DDA Meeting

Date: October 4, 2018

There are a few items on the DDA agenda that are important for moving our downtown forward over short-term (the next 1-5 years) and the long-term (years 10 and beyond). The downtown district has made great strides over the past 5-7 years with very little DDA funding. We've used the resources we've had available very well (mostly general fund dollars, BID dollars, tax abatements and brownfield financing) to get a number of great projects to the finish line. We should be proud of this. Going forward, however, we will absolutely need a more robust DDA effort. With that in mind, we have some important decisions to make in 2018 and 2019. I have boiled it down to three very important initial questions that I think can help us find our identity as an organization (in no particular order):

1. Who will lead the charge downtown? Which organization? Which people?
2. What will our funding streams look like?
3. What are our short and long-term goals for the downtown?

Staff has been working behind the scenes to prepare some projections and recommendations for these three areas. Some decisions will be easy, clear, and rather simple. Others will take time, debate, and significant planning. This report should serve as staff's initial thoughts on these items:

## **Who will lead the charge downtown?**

Currently we have five distinct organizations directly working on this: City of Muskegon, Downtown Muskegon Development Corporation, Downtown Development Authority, Downtown Muskegon Now, and the Downtown Business Improvement District. To date, this has worked for us (because of necessity), but going forward, a more streamlined approach would likely be more effective/efficient.

After a thorough review, staff will be recommending the following organization(s) take the sole leadership role: Muskegon DDA and Muskegon BID. We would anticipate that the City has a direct impact going forward as well, as we would staffing and administrative support. DMN and the DMDC would be unnecessary organizations going forward.



The DDA District Boundary would be unchanged, but it's likely that the BID Boundary could be adjusted to include only the labor-intensive areas (areas that particularly need investments in landscapes, streetscapes, and snow removal).

We would envision the DDA managing the BID's resources much the same way that DMN currently manages the resources on their behalf. This would create one large DDA budget to undertake any/all of the items that the DDA and BID Boards mutually agree to make a priority.

To property staff this organization, we would recommend the following positions:

1. One Director at 0.5 FTE
2. One Business Development Manager at 1.0 FTE
3. One Marketing and Events Manager at 1.0 FTE
4. One Administrative Assistant at 0.5 FTE

We feel that we can utilize Ann Meisch in the Director role, as she has already taken on many of the duties/projects that we would expect a functioning/funded DDA to undertake (Western Market, Farmers Market, Taste of Muskegon, Food Truck Rallies, misc. event promotion, etc.).

We feel that Dave Alexander with DMN would fit into the role of Business Development Manager. Dave serves in that role now (titled as Director of DMN). Dave's strong suit is business development and attraction; moving him to this role will allow him to discontinue his administrative and marketing functions to better focus on building the downtown.

The marketing and events position would likely be filled through a traditional hiring process.

The administrative position could (and should) be a shared position within City Hall. This would allow us to attract a full-time employee that is shared/allocated to another department based on need. For example, this person could be busy helping with DDA-related items in the spring and summer (when the downtown is busier), but then work more heavily in the Clerk's office in the fall and winter months (when they are preparing for elections, etc.).

#### **What will our funding streams look like?**

Staff has prepared a draft budget based on some preliminary understanding of what we see the needs of the Downtown over the next few years.

From a revenue standpoint, beginning in FY 2019-20, the budget anticipates approximately \$1.586 Million from various tax capture agreements (DDA, TIFA, and Brownfield). The budget also anticipates continued BID revenue as well as revenue streams related to the Farmers Market, Western Market, and various events. There is also a line item focused on parking-related

revenues, which staff anticipates will come from a combination of parking structure and on-street parking revenues.

From an expense standpoint, staff anticipates approximately \$185,000 in personnel costs annually. This would fund one full FTE and two partial FTEs. The budget allows for \$540,000 in recurring costs related to improving the district, with a focus on the following:

- **Walkability** – a focus on adding sidewalks where needed, calming traffic, improving lighting, etc.
- **Streetscape** – related to walkability, but more focused on the aesthetics of the right-of-way. This could include benches, art, decorative lighting, concrete replacement, etc.
- **Landscaping** – mostly along Western Ave and Shoreline Drive, but should be expanded incrementally.
- **Snow Removal** – focused on current BID snow removal areas, but should be expanded incrementally.
- **Façade Investments** – proposed 50/50 match program to incentivize exterior renovations of historic structures.
- **Development Incentives** – dollars available to assist with projects that the DDA deems important to the long-term sustainability of the downtown.
- **Park Space** – We currently maintain the splash pad. Staff also believes that a great investment for the DDA would be an additional park near the farmers market.
- **Office Space** – We would propose that the business development manager continues to work in rented space at the Chamber of Commerce, but that the remainder of the staff is housed at City Hall to save money.

Staff budgeted dollars for parking. We have an immediate decision to make regarding parking along Western Ave. The parking lot across from the LC Walker Arena currently holds approximately 150 vehicles. This popular lot is vital in accommodating events at the LC and the Frauenthal. It is also vitally important to the west side of the downtown as more businesses open between 4<sup>th</sup> and 7<sup>th</sup>. The owner recently informed staff that they intend to construct a three-story building on that site. Staff believes it is prudent to invest some dollars in a parking public structure on that site that is integrated into their design. The design would show retail on the street level, parking on floors 2-4, and residential on floors 5-7. The proforma needed to fund/operate the 450 parking spaces is included on a separate spreadsheet. We anticipate parking expenses to initially equal \$960,000 annually, with a significant amount of that accounted for directly by parking revenue and indirectly by incremental tax capture.

Staff also budgeted some debt payment. The DDA does owe the County \$1 Million from 1988. We are proposing that in FY 2019-20, the DDA pay \$500,000 of that back, and then pays \$100,000 annually for the subsequent five years. The good news is that because of the time-value of money, it's like we are paying back only \$468,000 (\$468,000 in 1988 is the same as \$1 Million in 2018, based on annual inflation of 2.56% over that 30 year period). Staff also budgeted \$175,000 annually for 5 years beginning in FY 2020-21 to contribute to the SmartZone debt at Harbor 31.

**What are our short and long term goals for the downtown?**

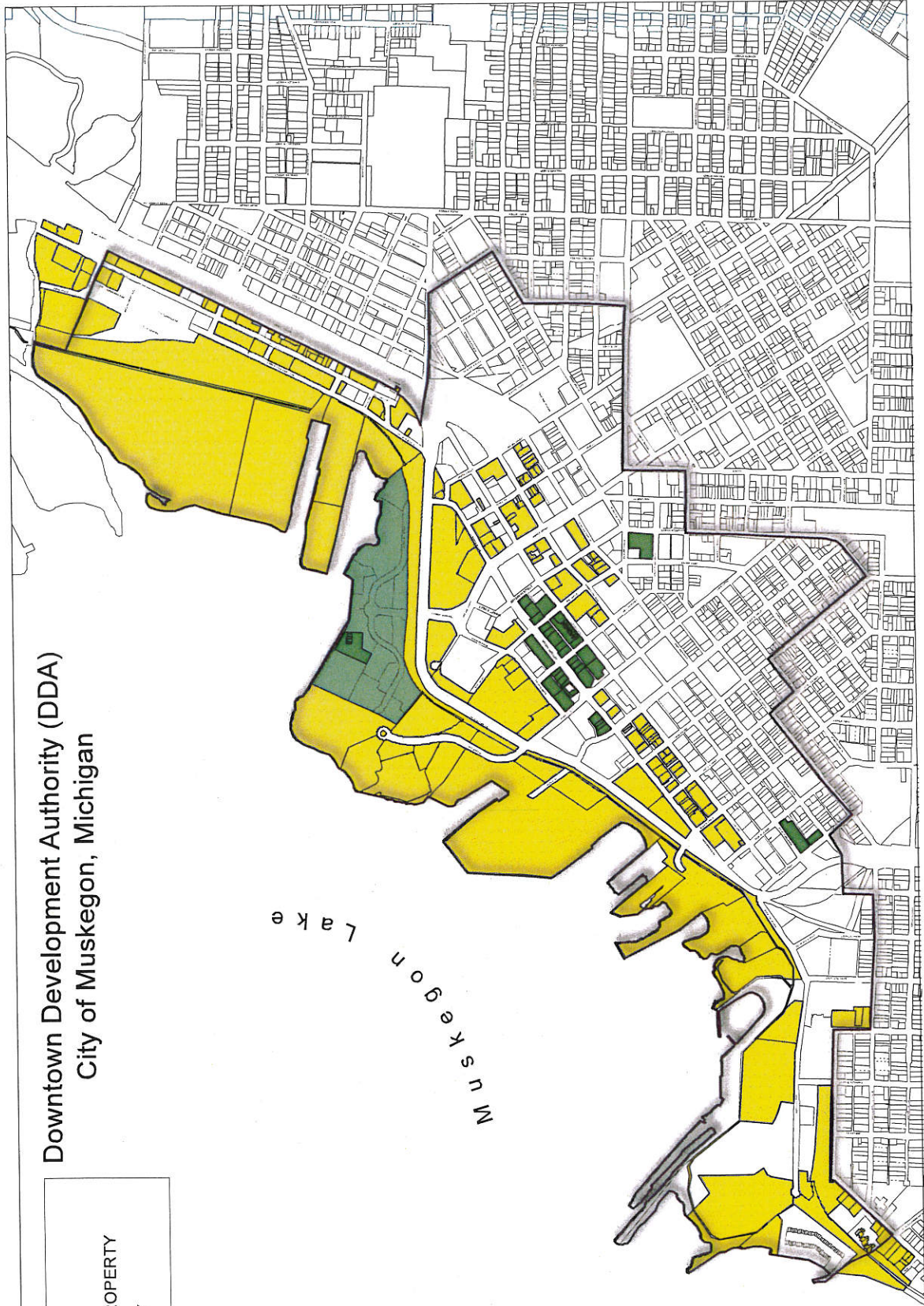
This is a pretty big question. Staff feels that we laid out a budget over the next 5-6 years that allows for some significant investment in the downtown. It also allows for some significant flexibility in terms of how those dollars are invested to meet the vision of this board.

Staff recommends that the DDA host a goal-setting session very similar to that of the City Commission. At that meeting, we can lay out some staff recommendations and talk about board members' individual ideas/thoughts. We can also invite other downtown stakeholders (business owners, shoppers, residents, etc.). We could also plan some field trips to other communities to help learn about what is working throughout the region. It would be nice to try and accomplish this by spring, so a final budget can be secured for FY 2018-19 and presented to the City Commission.

Downtown Development Authority (DDA)  
City of Muskegon, Michigan

- DDA BOUNDARY
- CONTRIBUTING PROPERTY
- ADDED PROPERTY

Muskegon Lake





Muskogean Downtown Development Authority  
Sample/Proposed 10-Year Budget

Prepared by Staff - 11/13/18

	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
<b>Revenues</b>											
Tax Increment (5% annual)*	\$ 1,300,000.00	\$ 1,332,500.00	\$ 1,399,125.00	\$ 1,469,081.25	\$ 1,542,535.31	\$ 1,619,662.08	\$ 1,700,645.18	\$ 1,785,677.44	\$ 1,874,961.31	\$ 1,968,709.38	\$ 2,068,140.00
Reimbursement - State	\$ 50,000.00	\$ 51,250.00	\$ 52,275.00	\$ 53,320.50	\$ 54,386.91	\$ 55,474.65	\$ 56,584.14	\$ 57,715.82	\$ 58,870.14	\$ 60,047.54	\$ 61,240.00
Trans From General Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest Income	\$ 1,000.00	\$ 1,500.00	\$ 1,530.00	\$ 1,560.60	\$ 1,591.81	\$ 1,623.65	\$ 1,656.12	\$ 1,689.24	\$ 1,723.03	\$ 1,757.49	\$ 1,792.64
BID Income (for \$50,000 levy)**	\$ -	\$ 180,000.00	\$ 230,000.00	\$ 230,000.00	\$ 230,000.00	\$ 230,000.00	\$ 230,000.00	\$ 230,000.00	\$ 230,000.00	\$ 230,000.00	\$ 300,000.00
TIFA	\$ -	\$ 40,000.00	\$ 40,800.00	\$ 40,798.98	\$ 41,614.96	\$ 42,447.26	\$ 43,296.20	\$ 44,162.13	\$ 45,045.37	\$ 45,946.28	\$ 46,865.20
Former Mail Brownfield Income (GF)	\$ -	\$ 162,000.00	\$ 150,000.00	\$ 125,000.00	\$ 125,000.00	\$ 100,000.00	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total</b>	<b>\$ 1,351,000.00</b>	<b>\$ 1,767,250.00</b>	<b>\$ 1,873,730.00</b>	<b>\$ 1,919,761.33</b>	<b>\$ 1,995,128.99</b>	<b>\$ 2,049,207.63</b>	<b>\$ 2,092,181.65</b>	<b>\$ 2,119,244.64</b>	<b>\$ 2,210,599.85</b>	<b>\$ 2,306,460.69</b>	<b>\$ 2,401,197.84</b>
<b>Expenses</b>											
Business Dev. Manager Wages	\$ -	\$ 62,500.00	\$ 63,750.00	\$ 65,025.00	\$ 66,325.50	\$ 67,652.01	\$ 69,005.05	\$ 70,385.15	\$ 71,792.85	\$ 73,228.71	\$ 74,693.29
Trans to GF - Marketing, Events, Overhead	\$ -	\$ 100,000.00	\$ 102,000.00	\$ 104,040.00	\$ 106,120.80	\$ 108,243.22	\$ 110,408.08	\$ 112,616.24	\$ 114,868.57	\$ 117,165.94	\$ 119,509.26
FICA (7.65%)	\$ -	\$ 4,781.25	\$ 4,876.88	\$ 4,974.41	\$ 5,073.90	\$ 5,175.38	\$ 5,278.89	\$ 5,384.46	\$ 5,492.15	\$ 5,602.00	\$ 5,714.04
Workers Comp (2%)	\$ -	\$ 1,250.00	\$ 1,275.00	\$ 1,300.50	\$ 1,326.51	\$ 1,353.04	\$ 1,380.10	\$ 1,407.70	\$ 1,435.86	\$ 1,464.57	\$ 1,493.87
Health Insurance	\$ -	\$ 20,000.00	\$ 21,200.00	\$ 22,472.00	\$ 23,820.32	\$ 25,249.54	\$ 26,764.51	\$ 28,370.38	\$ 30,072.61	\$ 31,876.96	\$ 33,789.58
Life Insurance (0.24%)	\$ -	\$ 150.00	\$ 153.00	\$ 156.06	\$ 159.18	\$ 162.36	\$ 165.61	\$ 168.92	\$ 172.30	\$ 175.75	\$ 179.26
401(k) (6%)	\$ -	\$ 3,750.00	\$ 3,825.00	\$ 3,901.50	\$ 3,979.53	\$ 4,059.12	\$ 4,140.30	\$ 4,223.11	\$ 4,307.57	\$ 4,393.72	\$ 4,481.60
<b>Total Salaries/Benefits</b>	<b>\$ -</b>	<b>\$ 192,431.25</b>	<b>\$ 197,079.88</b>	<b>\$ 201,869.47</b>	<b>\$ 206,805.74</b>	<b>\$ 211,894.67</b>	<b>\$ 217,142.54</b>	<b>\$ 222,555.98</b>	<b>\$ 228,141.91</b>	<b>\$ 233,907.65</b>	<b>\$ 239,860.88</b>
Walkability Improvements	\$ -	\$ 70,000.00	\$ 71,400.00	\$ 72,878.00	\$ 74,384.56	\$ 75,920.25	\$ 77,485.66	\$ 78,831.37	\$ 80,408.00	\$ 82,016.16	\$ 83,656.48
Streetscape/Wayfinding Improvements***	\$ 25,000.00	\$ 140,000.00	\$ 75,000.00	\$ 76,500.00	\$ 78,030.00	\$ 79,590.60	\$ 81,182.41	\$ 82,806.06	\$ 84,462.18	\$ 86,151.43	\$ 87,874.45
Public Art (Downtown Initiative)	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00
Landscaping	\$ -	\$ 135,000.00	\$ 137,700.00	\$ 140,454.00	\$ 143,263.08	\$ 146,128.34	\$ 149,050.91	\$ 152,031.93	\$ 155,072.57	\$ 158,174.02	\$ 161,337.50
Snow Removal	\$ -	\$ 100,000.00	\$ 102,000.00	\$ 104,040.00	\$ 106,120.80	\$ 108,243.22	\$ 110,408.08	\$ 112,616.24	\$ 114,868.57	\$ 117,165.94	\$ 119,509.26
Facade Program	\$ -	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00
Development Incentives	\$ -	\$ 75,000.00	\$ 75,000.00	\$ 75,000.00	\$ 75,000.00	\$ 75,000.00	\$ 75,000.00	\$ 75,000.00	\$ 75,000.00	\$ 75,000.00	\$ 75,000.00
Downtown Park(s)****	\$ -	\$ 45,000.00	\$ 225,000.00	\$ 60,000.00	\$ 60,000.00	\$ 60,000.00	\$ 60,000.00	\$ 60,000.00	\$ 60,000.00	\$ 60,000.00	\$ 60,000.00
Marketing/Publications	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00
Blight	\$ 15,000.00	\$ 15,000.00	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00
Office Space (if not city hall)	\$ -	\$ 7,500.00	\$ 7,650.00	\$ 7,803.00	\$ 7,959.06	\$ 8,118.24	\$ 8,280.61	\$ 8,446.22	\$ 8,615.14	\$ 8,787.45	\$ 8,963.19
<b>Total Recurring Costs</b>	<b>\$ 80,000.00</b>	<b>\$ 677,500.00</b>	<b>\$ 808,750.00</b>	<b>\$ 651,625.00</b>	<b>\$ 659,657.50</b>	<b>\$ 717,850.65</b>	<b>\$ 726,207.66</b>	<b>\$ 734,731.82</b>	<b>\$ 743,426.45</b>	<b>\$ 727,294.98</b>	<b>\$ 686,340.88</b>
LC Walker Phase 1	\$ 750,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
LC Walker Phase 1a****	\$ 250,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Event Contributions	\$ -	\$ 65,000.00	\$ 70,000.00	\$ 70,000.00	\$ 80,000.00	\$ 80,000.00	\$ 80,000.00	\$ 80,000.00	\$ 80,000.00	\$ 80,000.00	\$ 80,000.00
<b>Projects and Events</b>	<b>\$ 1,000,000.00</b>	<b>\$ 65,000.00</b>	<b>\$ 70,000.00</b>	<b>\$ 70,000.00</b>	<b>\$ 80,000.00</b>	<b>\$ 80,000.00</b>	<b>\$ 80,000.00</b>	<b>\$ 80,000.00</b>	<b>\$ 80,000.00</b>	<b>\$ 80,000.00</b>	<b>\$ 80,000.00</b>
County Debt Payments (\$1M)*****	\$ -	\$ 400,000.00	\$ 75,000.00	\$ 75,000.00	\$ 75,000.00	\$ 75,000.00	\$ 75,000.00	\$ 75,000.00	\$ 75,000.00	\$ 75,000.00	\$ 75,000.00
LC Walker HVAC/Roof (5 Year)*****	\$ 234,000.00	\$ 464,000.00	\$ 464,000.00	\$ 464,000.00	\$ 464,000.00	\$ 234,000.00	\$ -	\$ -	\$ -	\$ -	\$ -
Other Debt Payments (Smartzone)	\$ -	\$ -	\$ 125,000.00	\$ 125,000.00	\$ 125,000.00	\$ 125,000.00	\$ 125,000.00	\$ 125,000.00	\$ 125,000.00	\$ 125,000.00	\$ 125,000.00
<b>Total Debt Payments</b>	<b>\$ 234,000.00</b>	<b>\$ 864,000.00</b>	<b>\$ 664,000.00</b>	<b>\$ 664,000.00</b>	<b>\$ 664,000.00</b>	<b>\$ 434,000.00</b>	<b>\$ 200,000.00</b>	<b>\$ 75,000.00</b>	<b>\$ 75,000.00</b>	<b>\$ 75,000.00</b>	<b>\$ -</b>
<b>Total Expenses</b>	<b>\$ 1,314,000.00</b>	<b>\$ 1,798,931.25</b>	<b>\$ 1,739,829.88</b>	<b>\$ 1,587,494.47</b>	<b>\$ 1,630,463.24</b>	<b>\$ 1,443,745.32</b>	<b>\$ 1,223,350.21</b>	<b>\$ 1,112,287.79</b>	<b>\$ 1,126,568.36</b>	<b>\$ 1,116,202.63</b>	<b>\$ 1,006,201.77</b>
<b>Net Rev/Expenses</b>	<b>\$ 37,000.00</b>	<b>\$ (31,681.25)</b>	<b>\$ 133,900.13</b>	<b>\$ 332,266.86</b>	<b>\$ 384,665.75</b>	<b>\$ 605,462.31</b>	<b>\$ 808,831.44</b>	<b>\$ 1,006,956.84</b>	<b>\$ 1,084,031.49</b>	<b>\$ 1,190,258.05</b>	<b>\$ 234,996.08</b>
<b>Cumulative Cash Reserves</b>	<b>\$ 37,000.00</b>	<b>\$ 5,318.75</b>	<b>\$ 139,218.88</b>	<b>\$ 471,485.73</b>	<b>\$ 856,151.48</b>	<b>\$ 1,461,613.80</b>	<b>\$ 2,270,445.24</b>	<b>\$ 3,277,402.08</b>	<b>\$ 4,361,433.57</b>	<b>\$ 5,551,691.63</b>	<b>\$ 5,786,687.70</b>

\*Significant Reduction in Tax Increment Planned in Year 10 Due to Transition to "Local Only" TIF

\*\*Anticipates Increased BID Investment - Focus on Western and Third Streets (BID Board Would Ultimately Decide)

\*\*\*Assumes 3rd Street Project in 2018-19 and Clay Ave Streetlighting in 2019-20

\*\*\*\*Assumes DDA Maintains Splash Pad and Dog Park, and Develops a Playground Area in FY 2020-21

\*\*\*\*\*Anticipates an additional \$250,000 to complete Phase 1 of LC Walker (Restrooms)

\*\*\*\*\*Assumes 10-year debt repayment to Muskogean County

\*\*\*\*\*Assumes 5-year debt repayment related to new roofing, dehumidification, and boiler at LC (\$2 Million/- initial expense)



## **Downtown Muskegon Business Improvement District**

### **2019 Budget Recommendation & Explanation**

Date: Nov. 21, 2018

To: Business Improvement District Board

From: Dave Alexander, DMN executive director

### **Budget Recommendation:**

This is a proposed fourth-year budget for the Downtown Muskegon Business Improvement District. Based on a two tier assessment where "Class A" Properties pay \$0.08/sf annual and "Class B" Properties pay \$0.04/sf annual the Downtown Muskegon BID can expect to generate \$161,647 during 2019. This revenue amount has been adjusted by a series of Michigan Tax Tribunal decisions in 2018 on assessment appeals.

#### **Proposed 2019 BID budget**

2018 BID Estimated Fund Balance	\$50,000
2019 Revenues	\$161,647
<b>2018 Expenditures</b>	
Snow removal	(\$75,000)
Landscaping	(\$30,000)
Marketing, promotion, events	(\$15,500)
Streetscape	(\$13,000)
Administration	(\$25,000)
Contingency	(\$3,147)
<b>Total</b>	<b>(\$161,647)</b>
Estimated Fund Balance Dec. 31, 2019	\$50,000

### **Budget Note:**

The BID Board in 2016 appointed Downtown Muskegon Now as staff and managers of the BID. A Letter of Understanding between the BID and the DMN board was signed, having the budget and general spending categories established by the BID Board and work plans carried out by DMN. The administrative fee of \$25,000 per year was established for 2017. The letter of understanding was extended through 2020 as was the \$25,000 administrative fee.

All unused funds go to cash reserves in fund balance.

### **Budget Explanation:**

Snow removal: The BID's largest line item is dedicated to snowplowing and salt application along sidewalks within the BID where the majority of the Class A properties are located along portions of W. Western Ave., Clay Ave., Morris Ave., Terrace St., Jefferson, 1<sup>st</sup>, 2<sup>nd</sup>, 3<sup>rd</sup>, 6<sup>th</sup> & 7<sup>th</sup> Streets. Funds will also be used to clear parking areas which are generally used by the public – specifically the two lots between 2<sup>nd</sup> and 3<sup>rd</sup> Streets accessed off of Morris Ave. and in the former Mattson Olds parking lot in Midtown. The BID board approved a extension of the

sidewalk service for Clay from 7<sup>th</sup> to 9<sup>th</sup> streets (southside only) and 9<sup>th</sup> Street from Clay Avenue to Webster (eastside only).

The BID has signed three-year agreements with Summit Landscaping and Snow Removal for downtown parking lots and alleys, Terrascope Architects for Midtown, and with the city DPW for sidewalks.

Landscaping: The Downtown Muskegon BID in 2017 contracted with city of Muskegon Public Works Department to provide a high level of landscaping service after seeking bids from private contractors. The BID secured a three-year contract to provide these services 2018-2020. Downtown planters are being serviced by Barry's Flowers. Summer Landscaping includes the wedding and fertilization of common areas throughout the BID (grass cutting is done by the city). This line item also includes the planting and maintenance of flower planters throughout the BID (this item could be completed by a different vendor than the one doing the landscaping and clean up). Fall clean-up will consist of removal of leaves from the BID district and preparation of the planning beds for the winter. The BID board significantly increased the landscaping portion of the budget vs. 2016 with the intention of furthering BID landscaping services to Terrace Avenue, Clay Avenue and Pine Street as funds allow.

Marketing, promotion, events: The BID was used to launch the highly successful First Fridays events in the downtown, and in 2018 and again in 2019 those monthly events are Chalk the Walk in conjunction with the Lakeshore Art Festival, Street Performers in August and Touch the Truck in September. Beyond events, the BID is supporting an updated Downtown Muskegon website, a revised downtown email list, an annual tri-fold downtown map/brochure, direct and indirect advertising among other marketing and promotional activities.

Streetscape: This is a broad spending category that allows the BID Board to improve downtown Muskegon through new holiday decorations, public art projects, banners, directional/informational signs, benches, trash receptacles, sidewalk repairs, new planters, public space maintenance such as Olthoff Stage and Alcoa Square and like expenditures. The 2019 budget includes an additional \$5,000 for the new community Christmas tree.

Administration: Downtown Muskegon Now provided the staff support to design and establish the Downtown Muskegon Improvement District in 2015 and 2016. As promised to the Muskegon City Commission for 2016, there was no BID funds expended for "salaries and benefits" – administrative costs. The BID requires staff time and effort. Going forward DMN needs to be compensated for its time and effort. Thus, administrative line-item in the 2019 budget continues until 2020.

Contingency: The 2019 BID budget has \$3,147 in unbudgeted revenues. This contingency fund is in addition to the carry-over fund balance from 2018.

	2019 budget without DDA merger	2019 budget with DDA merger
2018 BID estimated fund balance		
2019 Revenues	\$50,000	\$50,000
DMN rebate (estimate)	\$161,647	\$161,647
	\$0	\$2,500
<b>2019 Expenditures</b>		
Snow removal	\$75,000	\$102,920
Landscaping	\$30,000	\$41,227
marketing, promotion, events	\$15,500	\$10,000
Streetscape	\$13,000	\$5,000
Administraton	\$25,000	0
Contingency	\$3,147	\$5,000
<b>Total</b>	\$161,647	\$164,147
Estimated fund balance Dec. 31, 2019	\$50,000	\$50,000

Marketing: Billboard and Livability  
Streetscape: Christmas tree final payment

# **CHRISTMAS CREATIONS BY BAILEY**

## **AGREEMENT FOR CHRISTMAS DECORATING SERVICES**

For Downtown Muskegon Now and the City of Muskegon on October 31, 2018

### **OVERVIEW**

Christmas Creations by Bailey has been decorating communities across the Northern Midwest for the past forty-three Christmas seasons. In fact, our company was started right in Downtown Muskegon as we decorated the buildings and streets of old Western Avenue, and later the Muskegon Mall. We were delighted to bring the Christmas spirit back to Downtown last year as we decorated the BID district, Farmer's Market and the new houses in Midtown.

Our classical decorations feature fresh, locally grown pine and bright red handcrafted bows. Our goal is to inspire nostalgia amongst the folks visiting Downtown Muskegon this holiday season and get them excited about the renaissance of the area. We want to put people in the Christmas spirit and attract them to the local shops, venues and eateries. We believe this proposal will accomplish just that.

### **Downtown BID District (Western Ave, Pine St, Third St, Sixth Street)**

- Wrap 61 light poles along Western Ave with bright red ribbon, fresh pine garland and soft white LED lights
- Wrap 36 poles along Pine St, Sixth St. and Third St. with bright red ribbon and fresh pine garland

**Total Cost: \$8,650.00**


### **Terms**

- All decorations will be fully installed by November 19, 2018
- All decorations will be removed between January 8, 2019 and January 15, 2019
- Payment due in full within 30 days of completion of installation

### **Added Benefits**

- 15% off per foot price discount for all Downtown businesses
- Promotional media release to spread the word and attract visitors
- Includes continued maintenance to decorations throughout the season

Upon signing, both parties agree to the terms and conditions of this agreement.

  
Authorized customer signature DMN Ex. Dir on Date 11-5-18  
behalf of the Downtown Muskegon  
Business Improvement District

Christmas Creations by Bailey

Date

Customer billing information

Contact:

Dan Alexander

Phone:

231-215-8827

Email:

dalexander@downtownmuskegon.org

Billing Address:

BID, 380 W. Western, Suite 202  
Muskegon MI 49440

Proposal valid for up to 30 days from delivery. Total due will be invoiced and due within 30 days of invoice receipt.



**NOTICE**  
**CITY OF MUSKEGON**  
**DOWNTOWN BUSINESS IMPROVEMENT DISTRICT BOARD MEETINGS**  
**2019**

Downtown Business Improvement District Board has tentatively set its meetings for 2017.

Meetings will be January 22, March 26, May 23, July 23, September 24 and November 26, 2019.

The Downtown Business Improvement District meets at 4:00 p.m. in the offices of the Muskegon Lakeshore Chamber of Commerce, 380 W. Western Ave. Suite 202 Muskegon, Mich. All meetings are open to the public.

Date: Nov. 27, 2018

AMERICAN DISABILITY ACT POLICY FOR ACCESS TO OPEN MEETINGS OF  
THE CITY OF MUSKEGON AND ANY OF ITS COMMITTEES OR  
SUBCOMMITTEES

The City of Muskegon will provide necessary reasonable auxiliary aids and services, such as signers for the hearing impaired and audio tapes of printed materials being considered at the meeting, to individuals with disabilities who want to attend the meeting with twenty-four (24) hours notice to the City of Muskegon. Individuals with disabilities requiring auxiliary aids or services should contact the City of Muskegon by writing or calling the following:

Ann Marie Meisch, MMC  
City Clerk  
933 Terrace Street, Muskegon, MI 49440  
(231) 724-6705